

# Agriculture and economic recovery in post-conflict countries: Lessons we never learnt

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## Abbreviations

CPIA	Country Policy and Institutional Assessment
CPR	Country Performance Rating
DAC	Development Assistance Committee (OECD)
IDA	International Development Association
JCRR	Joint Commission on Rural Reconstruction
MDG	millenium development goals
OECD	Organisation for Economic Co-operation and Development
PCNA	Post-conflict Needs Assessment
TRF	Transitional Results Framework

## 1. Introduction

After nearly two decades of neglect in both discourse and action, the international community has again prioritised the agricultural sector. A full 25 years after its last report on agriculture (World Bank, 1982), the World Bank published the influential *World Development Report* on “Agriculture for development” in 2007. Although it has drawn criticism, the report is a significant contribution to the debate. Based on a thorough review of the literature and experience, coupled with well-articulated arguments, it attempts to cover all the dimensions of agricultural and related rural development (World Bank, 2007). A year after its publication, the food price crisis occurred, which reinforced the impact of this seminal work and underscored the importance of agriculture for developing countries. Since then, the international community, and the World Bank in particular, have reconsidered investment in agricultural development.<sup>1</sup>

The 2007 *World Development Report* emphasises that governments play a crucial role in supporting agriculture-for-development agendas. They provide infrastructure, services and social safety nets and, more broadly, address market failures, all of which require administrative capacity and financial resources. The challenges arise when governance issues disrupt such government support. Most agricultural economies are located in sub-Saharan Africa. In these economies, the highest share of aggregate growth originates in agriculture and the highest share of aggregate poverty (people living on less than \$2,15 a day) is in the rural sector. Many of these countries encounter great difficulties in planning and implementing comprehensive policies for rural development. Those that are emerging from protracted conflict, crisis or war face even bigger challenges. The World Bank concludes (2007: 246): “*As long as such fundamental conflicts – often threatening people’s lives – remain unresolved, using agriculture for development remains a distant goal*”.

This paper addresses agricultural support in post-conflict or fragile states in sub-Saharan Africa, focusing on the implementation of agriculture-for-development agendas. It seeks to analyse the principles that drive donor interventions. It deals with neither the cause of conflicts nor peace-building processes, even though these are crucial to the effectiveness of external interventions. It does not assess motives for external intervention, even though these may shape the kind and degree of such intervention. The paper aims to identify some of the missing elements of current support to post-conflict and fragile countries, and articulates the role that agriculture could play in such situations. It identifies five main principles, in addition to the current practices, which could significantly improve the effectiveness of external interventions: understanding the context, promoting “jointness” of action, defining a holistic approach, planning long-term development, and including the private sector.

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<sup>1</sup> The 2007 *World Development Report* led to the drafting of the Agriculture Action Plan 2010-2012 of the World Bank Group (2009).

The paper first examines the only two programmes in modern history that were successful in supporting agricultural recovery: the Marshall Plan and the rural reconstruction in Taiwan, both occurring soon after World War II. The next section compares the principles underlying these two success stories with more recent donor approaches, arguing that agricultural support cannot be dissociated from the overarching development strategy for the economy. An global approach is used on purpose. While it does not capture the crucial subtleties and local contingencies of donor interventions, it allows a discussion of the one-size-fits-all approach, which, unfortunately, often prevails. The following section draws on the recent literature on donor support for agriculture in post-conflict countries, especially in sub-Saharan Africa, to underline the differences between past and current interventions. From these differences, new priorities are identified for external intervention, particularly relating to agriculture. The last section concludes.

## **2. Lessons from success**

Looking back, the only post-conflict interventions in agriculture that could be deemed completely successful are the Marshall Plan for Europe and Japan, and the Joint Commission on Rural Reconstruction (JCRR) in Taiwan. These two examples contributed not only to the recovery of the agricultural sector but also to the rapid growth in the entire economy. Agriculture was a crucial factor in both growth stories. While these success stories may seem outdated, no such successes have been achieved since then. With hindsight, these two experiences could provide useful lessons that might have been forgotten too soon.

### **2.1 Agriculture in the Marshall Plan**

Why was the reconstruction of Europe after World War II so successful? Despite a large body of literature on this issue, it is often forgotten that agriculture was at the heart of the reconstruction process. The first lesson of the European reconstruction lies in the priority given to agriculture, beyond food security, as a crucial factor in the recovery. The second lesson relates to the role of external actors, in this case the United States. In 1947, the United States launched the European Recovery Program, better known as the Marshall Plan; this was a budgetary support programme for the reconstruction of European countries. The third lesson comes from the way the Marshall Plan was designed. The United States did not impose its will on the recipient countries: the initiative came from Europe, even if conditionalities were imposed. This allowed a partnership between the United States and the “free world” in designing the Plan, which ensured its legitimacy. European countries also made strong internal efforts to sustain the recovery process (Kunz, 1997; Chollet & Goldgeier, 2005). In so doing, they guaranteed the success of this form of overseas development assistance, which contributed to the subsequent establishment of various bilateral development agencies. The success of the European reconstruction underscores the importance of agriculture in the reconstruction process, despite the high level of economic development achieved before the war.

### 2.1.1 Agricultural support, but not only

As the end of the war drew near, the importance of agriculture for the reconstruction of Europe was increasingly recognised. For instance, the German-American agricultural economist Karl Brandt (1945: 284) argued that, in *"the simplest terms, reconstruction of European agriculture means employment for the farm population and food for urban people. But its successful performance implies all the difference between chaos and the return of individuals and nations to peaceful life"*. Later, the first request from the Europeans to the Americans under the Marshall Plan was for food. Allen W Dulles, who helped to convince Congress to support European reconstruction, recalls: *"What do we contribute? In first line, it will be food, fuel and fertilizer, to keep body and soul together, so that there will be men and women in Europe with the strength and the will to work. And then they will be given some of the tools so that they can increase their own production of food, fuel, and fertilizer"* (Dulles, 1993: 73).

At the same time, the necessity of European governments driving the recovery process was strongly emphasised: *"By placing the responsibility for reconstruction on provisional national governments in liberated as well as conquered countries, the problem of agricultural reconstruction will thereby be decentralised and reduced to manageable proportions... Policies of reconstruction for agriculture or industry drawn up wholly in terms of national autonomy and sovereignty could lay the foundations for an entrenched economic nationalism"* (Brandt, 1945: 289-290).

The American government dedicated about half of its total aid to agriculture, which included the procurement of commodities, agricultural machinery and tractors. This amounted to \$4,4 billion in the first two years of the programme. Furthermore, to supplement the administrative capacity of European countries, the American Economic Cooperation Administration was established to administer the Plan and assist governments in selecting productive investments within each country (Richter, 1950).

Supported by the Marshall Plan and other forms of aid that preceded the Plan, agricultural performance in Europe soon exceeded expectations. For instance, West Germany benefited from a special aid programme for occupied areas. As early as 1949, yields for its major crops exceeded their pre-war levels. They also exceeded the targeted yields for 1951-52, which had previously been described as unrealistically high.<sup>2</sup> Between 1949 and 1952, West German farmers also benefited from direct government support: the aid coming from the Marshall Plan was systematically matched from the state budget. As a result, agricultural production continued to grow (Schmidt, 1955).

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2 These goals were set in 1948 with the prospect of West Germany benefiting from the Marshall Plan (Raup, 1950).

The Marshall Plan quickly became an undisputed success, and it was acknowledged that its support for agriculture had a ripple effect on the overall economic recovery. Evaluating the Economic Recovery Program, Richter (1950: 541-542) pointed out that *"the program's impact on industry, its aid to the restoration of financial stability, to the recovery of trade in general and to the improvement and stabilisation of social and political conditions have had an important bearing on developments in agriculture and in the markets for agricultural products. Conversely, the developments under the program for agriculture were important determinants in other areas of economic, social and political achievement. The increase in agricultural productivity and output improved the food situation and lessened the severe pressure on the foreign balance, thereby contributing much to the rise in industrial employment, productivity, and output; and hence to the improvement and stabilisation of general economic, social and political conditions."*

The Marshall Plan's strategy to stimulate both agriculture and industry in Western Europe contributed to an increase (over pre-war levels) of 11% in agricultural production, 40% in industrial output and 32% in aggregate gross national product (Kunz, 1997). These results were obviously not solely due to the aid provided by the United States (De Long & Eichengreen, 1991). However, while the aid was only seed money to facilitate recovery, it still amounted to \$12,8 billion between 1948 and 1951.

### **2.1.2 Lessons from the post-war reconstruction of Europe**

The recovery plan included both relief measures (i.e. food for emergency situations) and development interventions. The latter were mainly in the form of budgetary support to governments, which included ex ante targets and goals for each sector or activity to be supported. While agricultural development was a major objective, other economic sectors were also supported.

The success of the recovery can be ascribed to several reasons, which can be classified into three categories. First, some prerequisites for success were in place:

- Information on the state of the economy and on the living conditions and strategies of the people were available or easy to gather. This helped to identify the needs of rural populations and facilitated the right combination of food aid and agricultural support.
- The structural transformation of the European economies had taken place before the war, setting them among the leading industrial nations of the world (Morgenthau, 1962). Consequently, the basic requirements for a rapid economic recovery were met in both agriculture and industry.
- The post-war governments were strong enough to drive their economies. They had extensive administrative and bureaucratic capacity, sound legal systems and long experience of sovereignty and democracy.



- Despite the conditionalities of American assistance to free markets, European governments were far from adopting a *laissez faire* approach. They continued to own some utilities and heavy industries (De Long & Eichengreen, 1991); industrial policies protected vital domestic sectors from external competition; and these policies were easily implemented because productivity gaps between competing economies were fairly limited.

Second, European countries were able to rely on some intrinsic stabilising characteristics of the Marshall Plan:

- The Plan was an unprecedented multi-year appropriation programme, which gave some predictability to the expected support (Kunz, 1997). At the same time, it was clear from the outset that the aid would eventually be withdrawn.
- Instead of a country-based approach, the Marshall Plan had a regional vision, encompassing all the non-communist countries in Europe.
- In 1949, the creation of the North Atlantic Treaty Organization provided the necessary security umbrella against any perceived threats to the region (Chollet & Goldgeier, 2005).
- The foreign assistance came from only one source, the United States.
- The recipient governments had to match each incoming dollar with a dollar from their own budgets, hence enforcing their accountability and commitment (De Long & Eichengreen, 1991).

Finally, because of these prerequisites and features of the Plan, European governments were able to act convincingly and effectively:

- European countries undertook reforms to build a “mixed economy” with a strong pro-market orientation, which would support long-term growth (De Long & Eichengreen, 1991). They provided public infrastructure, while private investment was boosted by the high returns to new investment (Eichengreen & Uzan, 1991);
- Governments were willing and able to establish a social contract that provided a minimum level of well-being for their people through social safety nets. Most of the current welfare systems in Europe were set up immediately after the war (Rosanvallon, 1995).

The conditions under which reconstruction occurred were far removed from today’s post-conflict countries in Africa. While some the above principles might still be valid, most of them seem to have been lost. These include adopting a multi-year but finite aid plan, a regional approach to peace, an agricultural development strategy that is closely linked to the structural transformation process, and the creation of safety nets.

## 2.2 The Joint Commission on Rural Reconstruction in Taiwan

The second external support programme that managed to revive agriculture after World War II is the work of the Sino-American Joint Commission on Rural Reconstruction

(JCRR) in Taiwan. The characteristics of the country at the time make this experience particularly interesting. Taiwan was a resource-poor, low-income developing country. It was overpopulated through both immigration and natural population growth (over 3%) but the domestic market was small. The economy suffered from high inflation and chronic deficits on the balance of payments (Liang & Hou Liang, 1988). Farm labour was cheap and plentiful (Yager, 1988). Hence, unlike in Europe after the war, conditions in Taiwan were similar to those of low-income African countries today. Yet, in less than two decades, Taiwan underwent a dramatic economic expansion, providing *“an extreme version of the structural changes in a rapidly industrializing and resource-poor economy”* (Wu Huang, 1993: 61). What made this possible?

The JCRR was established in 1948 under the American Economic Cooperation Administration, the agency set up to administer the Marshall Plan. It aimed at containing the Communists in the north of the country: their success in gaining support in rural areas gave rural reconstruction a special urgency (Yager, 1988). The role of the JCRR was very different from that of the Marshall Plan. Harlan Cleveland (1949), the Director of the China Program of the Economic Cooperation Administration, notes that China was in the midst of a civil war when the China Aid Act of 1948 was passed. The aim of the Act was to prevent a worsening of the situation, the Americans being convinced that the Chinese government would otherwise be unable to prevent economic collapse. After Mao Zedong proclaimed the People's Republic of China in October, the Chinese Nationalists retreated to Taiwan in December 1949. American aid stopped for a year before resuming shortly after the start of the Korean War (when China entered the Korean fray). The JCRR was then dedicated solely to Taiwan. In 1979, more than 20 years after its establishment, the JCRR ceased activities and was replaced by the Chinese Council for Agricultural Planning and Development (Yager, 1988).

### 2.2.1 Planning and financing

The JCRR was assigned the task of agricultural planning and development, and fulfilled this role impressively. The way the Commission was conceived and implemented played a critical role in determining both its effectiveness and the efficient use of funds in a particularly difficult context.

First, the JCRR operated under the principle of “jointness”, implying the joint definition of priorities, the joint management of the fund and its joint financing. This principle came from the initial experience of the JCRR in 1949: having two separate organisations for rural reconstruction, one American and one Chinese, was unwieldy and a joint commission was soon established to formulate and implement the programme (Conant, 1951). Originally, the JCRR comprised three Chinese representatives and two Americans who had spent

many years working and living in China; this was later changed to one American and two Chinese commissioners (Hough, 1969). In 1949, Raymond Moyer, who would later become a JCRR commissioner, justified the jointness principle as follows: *"The reason simply is that success in any program in a foreign country, intimately related to any substantial portion of the life of that country, requires the combined knowledge and serious concern of representatives of both interested countries"* (Yager 1988: 267). This principle is in stark contrast to donor practices of the past 40 years.<sup>3</sup>

Second, the allocation of funding was based on the assumption that any action had to reach the micro-environment to ensure that farmers were involved in the development process through institutional communication, dialogue and participation. This was called the "felt needs" approach.<sup>4</sup> It provided a framework for selecting village and farmer participation projects that stood to produce reasonably large, immediate and tangible effects (Yager, 1988).

For instance, the "felt needs" approach led to land reform between 1949 and 1953. This is often acknowledged as one of the principal drivers of rural development, as it boosts both agricultural productivity and farm income (see, for instance, Chinn, 1979; Wu Huang, 1993). Park and Johnston (1995) argue that, while land reform facilitated rural development, it was not the main driver, especially of productivity growth. Still, land reform contributed to higher incomes and a better income distribution as it reduced rents from over half of standardized yields down to a third. The resulting increase in income stimulated rural demand for non-agricultural goods and services. This debate over the role of land reform illustrates the extent to which the JCRR developed a holistic approach to the multiple dimensions of rural development: given the range and complementarity of its policies, it is all but impossible to pinpoint any specific measure as the driver of its success.

To achieve the goal of participation, the farmers' association network was used as the mechanism by which farmers' needs and problems were reported upward, and public and private incentives, innovations and services were provided downward. It was only one component of a realistic rural development programme, and it contributed to better programming of the measures to stimulate the overall development of the economy. As Hough (1969: 184) notes, with the JCRR, *"[a]n effective balance was achieved between the requirements of overall sector planning and controls on the one hand, and decentralised participation in and adjustment of sub-sector plans on the other."*

Third, the JCRR was protected from government bureaucracy by being on the outside. While both the United States and the Taiwanese governments had legal rights to oversee

3 The most recent and innovative foreign assistance initiative is probably the Millennium Challenge Account rolled out by the Bush Administration and sustained by the Obama administration. Selectivity is a core principle of this aid mechanism. See, for instance, Giordano and Daviron (2006).

4 For further details on the land reform in Taiwan, see Tang and Chen (1955), Young-Chi (1962), Koo (1966) and Yager (1988: 99-124).

and influence the JCRR, they agreed to preserve its autonomy (Yager, 1988). Hence, it served as the agency comparable to the department of agriculture in the Taiwanese government and later as the agricultural division of the United States Aid Mission (Yager, 1988; Wu Huang, 1993). JCRR commissioners attended any American or Taiwanese meeting where rural and agricultural development was discussed, hence ensuring good policy coordination. This gave the Commission significant freedom and flexibility in project selection and financial programming, allowing it to respond quickly to farmers' needs and problems.

The JCRR was not an operating agency. Instead, it provided financial and technical assistance to governmental and private organisations to carry out projects, using simple procedures of fund allocation. More than half of the assistance was given to the prefectural and municipal governments and local entities (Kao, 1967). Particular attention was paid to the choice of the sponsoring institution for each project: the JCRR carefully selected implementers that could effectively use its financial and technical assistance, and always asked them to match the funds it provided (Yager, 1988). The impact on farmers' income was often the main criterion for assessing proposed projects. The JCRR promoted the reform of landlord-led agricultural associations into farmers' associations that provided services such as training, credit and commercialisation. The government, jointly with the JCRR and other agencies, provided strong financial incentives such as guarantees and subsidies (Park & Johnston, 1995).

Finally, the JCRR was only a small part of the China Aid Act of 1948. The Act allocated \$275 million in economic aid and \$125 million in "additional aid" for 12 months (Cleveland, 1949). It addressed food distribution as an emergency measure; the provision of commodities, mainly cotton, to avoid the collapse of the garment industry; and industrial reconstruction. Only \$27,5 million was dedicated to rural reconstruction and allocated to the JCRR (Conant, 1951). The Commission also dealt with rural development, including basic services, infrastructure and support to other economic sectors and, above all, good local government in rural areas (Cleveland, 1949). The United States subsequently used the same configuration of aid to support Taiwan.

As summarised by Kao (1967: 622-623), *"without the leadership, and financial and technical assistance of JCRR, most of the agricultural programs on Taiwan would be greatly impeded, if not fully stopped. Some observers attribute Taiwan's rural prosperity to the JCRR's efficient use of U.S. aid and credit the JCRR's success partly to its joint, semiautonomous nature and its policy of utilizing local organizations as project sponsors."* Although there was some tension between the two governments about the autonomy of the binational commission, this autonomy was the guarantor of its future success (Yager, 1988).

The figures below give some idea of the role and achievements of the JCRR:

- From 1950 to 1979, its total funding amounted to \$849 million (in 1979 dollars), a modest figure relative to the results achieved (Yager, 1988).

- Capital assistance (\$213 million) constituted 59% of net domestic capital formation in agriculture (Kao, 1967).
- From 1953 to 1964, the JCRR provided about 40% of the budget receipts of the Taiwan Provincial Department of Agriculture (Kao, 1967).
- In 1956, the JCRR had a technical and administrative staff of 230 Chinese and 11 Americans, far fewer than any other department. In its first seven years in Taiwan, it carried out 1 852 projects, resulting in a direct improvement in the lives of more than 90% of the people (Walker, 1959). By 1962, it had sponsored 5 114 projects for the improvement of agriculture both in Taiwan and on the offshore islands (Kao, 1967).
- Agricultural output grew by 6% a year in the 1950s and 5% in the 1960s (Wu Huang, 1993). Paddy production rose from 1 058 000 tonnes in 1948 to 1 839 000 tonnes in 1957. This was due in part to land reform but primarily to the improved productive environment and greater incentives generated by the overarching economic plan (Gittinger, 1961).

Like the Marshall Plan, American aid to Taiwan was not solely dedicated to agriculture; it also reached industry. What made the JCRR so efficient was the capacity of the Taiwanese government to create strong synergies between rural and industrial development. In this way, the JCRR participated not only in agricultural recovery but also in the rapid structural transformation of the economy: the linkages between agriculture and industry played an important role in the recovery and expansion process (Chinn, 1979). *"The positive role played by the agricultural sector in Taiwan sharply contrasts with the experiences of many other less developed countries, where the lack of agricultural development acted as a drag on industrial and general economic development"* (Liang & Hou Liang, 1988: S68).

This is not to say that a positive bias toward agriculture was developed – quite the reverse. Agricultural prices were controlled and food prices set relatively low to provide cheap food to the working classes but public subsidies were used to create incentives for productivity gains. Wu Huang (1993: 55) concludes: *"Despite agricultural policy being unfavourable to farmers in the early stages of Taiwan's economic development, significant increases in agricultural output and productivity were achieved because of public investments in research, extension, irrigation, and other rural infra-structure. Gains in agricultural productivity made possible the transfer of large amounts of capital and labour from agriculture to other sectors"*.

## 2.2.2 Supporting agriculture within a broader development plan

The particularly difficult domestic context forced the government to promote agricultural development as the main sector of the economy while also pursuing additional objectives. *"[T]he shortage of foreign exchange and the rapid increase in population, caused by the large population influx from the Chinese mainland and the high rate of natural increase in population (more than 3%), forced the government to adopt an agricultural policy*

*that served the multiple objectives of government revenue, self-sufficiency, foreign exchange, and price stabilization"* (Wu Huang, 1993: 54). Therefore, the aid had to fit this particular context.

While the JCRR was dedicated to rural development, American assistance was much broader. It played a critical role by closing Taiwan's trade gap, which was due to high imports. These imports provided inputs to complement domestic labour and investment (Liang & Hou Liang, 1988) and military equipment to strengthen the national defence system against the People's Republic of China (Walker, 1959). The closing of the trade gap brought macroeconomic stability, which was vital for coherent policy planning. From 1953 to 1968, four four-year economic plans were developed, which articulated agricultural and manufacturing development in a balanced manner. The objective was a progressive process of structural transformation. From the outset, the JCRR was convinced that *"[t]he development of industry was contingent upon a simultaneous development of agriculture"* (Yager, 1988: 8). Hence, it ensured that, as the main sector of the economy, agriculture could provide labour, capital and raw materials to a growing industrial sector (Yager, 1988; Wu Huang, 1993).<sup>5</sup> The development of the industrial sector created opportunities for the rural labour force: the expansion of non-farm activities substantially increased the income of rural households and reduced income inequality between farmers, thus increasing the demand for industrial products. This change in the income patterns of rural households reflects the shift from labour-intensive farming to the increasing use of inputs and capital stemming from the creation of non-farm opportunities (Chinn, 1979; Yager, 1988; Wu Huang, 1993). Chinn (1979: 300-301) concluded that a *"strategy for raising rural incomes which focuses only on raising agricultural productivity, even if successful, may well prove inadequate"*. Because of this overarching strategy, the share of agriculture in the net domestic product plummeted from 36% in 1952 to 19% in 1970 and only 6% in 1984-89 (Wu Huang, 1993). Meanwhile, manufacturing outputs increased from 2% in 1952 to 24% in 1970 (Chinn, 1979) while the share of employment in agriculture dropped from 56% in 1952 to less than 19% in 1983 (Yager, 1988).

Hence, the classic economic transition pattern set out by Lewis (1954) and later Ranis and Fei (1961) held in the post-war recovery, as evidenced by the rapid structural changes during this period. The structural transformation was consistent with the evolution of the successive plans, despite the fact that food and export production had remained a constant objective over the 15 years. While the first plans emphasised the need to stabilise prices

<sup>5</sup> This paper does not discuss the specific policies of this period, since they may be specific to the situation. Nevertheless, the measures used to promote agricultural development went beyond support for agriculture in a narrow sense. They included support for research, access to research, better infrastructure, public health and family planning, land reform, smart fertiliser subsidies, guaranteed prices, export promotion schemes and the mobilisation of domestic savings. More importantly, the policies evolved over time in line with changes in the problems faced by the agricultural sector (Chinn, 1979; Yager, 1988).



and produce substitutes for exports, these objectives were progressively replaced by the objectives of creating a self-supporting economy, supplying raw materials to industry, and creating job opportunities for unemployed rural labour (Yager, 1988).

### 2.2.3 Lessons from the JCRR

The JCRR played an important catalytic and coordinating role, developing a broad vision in the planning and implementation of policies and projects. *“As a well-funded and flexible organization with semi-independent, supra-ministerial status, the JCRR was able to exert a strong influence on policy, seizing opportunities to support promising pilot projects implemented by governmental or nongovernmental organizations at any level”* (Park & Johnston, 1995: 200).

Just as for the Marshall Plan, the determinants of the success of the JCRR can be classified into three broad categories. First, some prerequisites for the success of the program were already in place. The agricultural sector benefited from the colonial power’s economic strategy before the war. When the Japanese assumed control of Taiwan in 1895, they planned to turn it into a major provider of food. They developed the agricultural sector and constructed railroads, harbours and other transport infrastructure to facilitate exports to Japan. They also provided social services to improve the quality of rural labour, such as public health and primary education. The objective was to enable farmers to benefit fully from the measures to promote agriculture, mainly the development of financial services (i.e. banks and credit cooperatives), new techniques (via the creation of agricultural research institutes) and the provision of extension services (on-farm training) to implement such new techniques. As demonstrated by Ho (1968: 413 & 1975), *“[t]he transformation of Taiwan’s agriculture was the major accomplishment of the Japanese Colonial Administration”*. The JCRR built on this legacy: it ensured that all service and research institutions remained well funded and well staffed, and that the development of infrastructure continued (including irrigation, transport, electrification and communications).

Second, the assistance from the United States was devised to facilitate the development process:

- It came from only one source, thus avoiding any problem of donor coordination.
- It lasted for several years, through various mechanisms, and allowed Taiwan progressively to take over from the United States as the main funder. Taiwan received economic assistance until 1965 when its economy was deemed strong enough to stand on its own (Kao, 1967). However, the JCRR continued to benefit from money generated by (undisbursed) past aid through the establishment of the Sino-American Fund for

Economic and Social Development.<sup>6</sup> Thus, although economic assistance lasted less than six years, the Fund provided resources for the JCRR to carry on its work.

- After the People's Republic of China entered the Korean War in October 1950, the United States provided military assistance to ensure the security of Taiwan, creating an enabling environment for investments.<sup>7</sup>

Third, the government had considerable capacity, which benefited the JCRR. This was reflected in the following:

- *Its ability to drive the economy:* Many government officials and civil servants were experienced mainlanders, able to design and implement complex policies (Chinn, 1979). Liang and Hou Liang (1988: 573) note: *"The promotion of exports came not through laissez-faire but through a complicated set of incentive measures. There are continuities in the fifties and the sixties in the nature of state guidance and involvement in the economy"*.
- *Its willingness to act:* Because government officials and civil servants were from the mainland, they were not tied to the local establishment of the island. Furthermore, after their defeat by the Communists and the exile to Taiwan, they were determined to prove the value of their political ideals. The speed with which land reform was designed and conducted illustrates this attitude (Wu Huang, 1993).

Finally, the principles that guided the work of the JCRR contributed greatly to its efficiency:

- It was able to sequence its interventions by identifying priorities and objectives, and adjusting them over time.
- Its structure allowed the JCRR to avoid much political interference and to preserve autonomy and flexibility.
- Its autonomy to craft development plans and policies made them easier to promote and support.
- The project screening process was particularly efficient. It was based on the greatest "felt needs" of the rural population in each region, with the objective of reaching the largest number of people. Technical and financial feasibility studies were thorough and sponsoring agencies were selected carefully.

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<sup>6</sup> Yager (1988) explains that this Fund was constituted of undisbursed aid, which was deposited in a special account under supervision of the United States, as well as upcoming proceeds from the sale of the agricultural surplus to Taiwan, and the repayment of loans contracted in local currencies. According to an agreement concluded in 1965, at least 15% of the funds were dedicated to the agricultural sector for loans or grants.

<sup>7</sup> "A Military Assistance Advisory Group was set up in Taipei on May 1, 1951, and with its help the Nationalist armies were gradually re-equipped and reorganised into an effective fighting force. United States economic aid was reactivated in 1951, enabling more realistic planning for the island's future... In December 1954 the United States and the Republic of China signed a Mutual Defence Treaty guaranteeing the military security of Taiwan and the Pescadores" (Walker, 1959: 127).



The JCRR model has never been replicated, and it is hard to imagine how its specific organisational and political arrangements could be adapted to another context. However, the basic principles that governed the JCRR should not be forgotten, because the challenges Taiwan faced in 1949 are very similar to those faced by African countries today.<sup>8</sup>

### 3. Contemporary post-conflict interventions

What relevance do these critiques have for contemporary external interventions? The success of the post-World War II experiences was partly due to the institutional strength and capacity of the recipients, even despite the war. This allowed the United States, more as a stakeholder than a donor, to invest confidently in these countries. It could rely on their ability to develop and implement reforms, support their demands or “felt needs”, and be flexible in its allocation of assistance. It could also impose macroeconomic reforms to move towards a mixed economy that relied more on market forces. The private sector soon made use of this opportunity. In return, the United States benefited from the expansion of these economies and reaped the benefits of its tied aid.

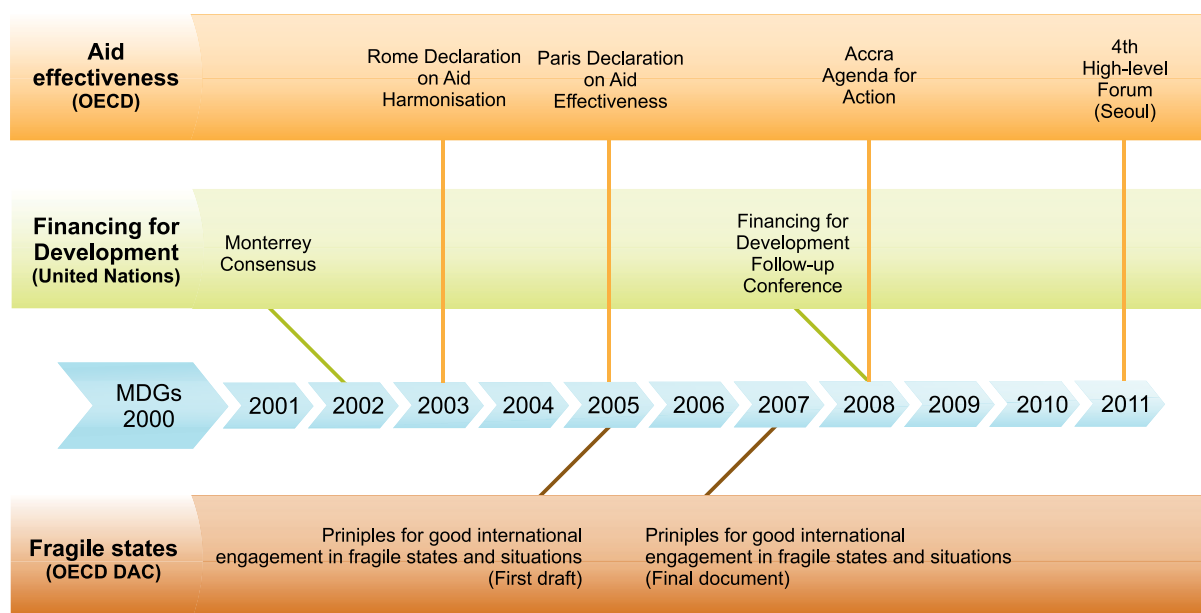
Although compelling differences between 1945 and today’s Africa prevent these models from being transposed, some aspects remain relevant. In particular, the recovery of the post-war period was driven by the state. The main objective of intervention in post-conflict and fragile states today is to strengthen the state and enhance its capacity to deliver. Therefore, lessons can be learnt to support interventions in post-conflict situations.

Various international initiatives have tried to improve donor interventions, owing in part to the increasing competition among donors in the “market for aid” (Klein & Harford, 2005). The next section compares the initiatives related to post-conflict and fragile states to the two successful post-war interventions described above. It assesses whether the principles of these interventions are consistent with those of the post-war interventions, and whether some omitted principles could usefully be applied to current conditions.

Three global initiatives are considered according to their potential influence on donor practices in post-conflict situations: the conferences and resolutions on aid effectiveness, the Financing for Development conferences and the Organisation for Economic Cooperation and Development (OECD) *Principles for good international engagement in fragile states and situations*. Figure 1 provides a timeline of these initiatives.

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<sup>8</sup> In 1969, Taiwan rolled out an agricultural aid programme to several African countries with the objective of gaining political support and preventing China’s access to the United Nations (Sim, 1971). Ironically, they did not try to adopt the JCRR model, so successful in their own country, for their aid to Africa.



**Figure 1: International initiatives on coordinating foreign assistance**

The paper focuses on the initiative of the OECD's Development Assistance Committee (OECD DAC), as it deals specifically with fragile states. Post-conflict situations are not the primary concern of the other two initiatives, but they are reviewed insofar as they affect such states. First, however, the next section defines post-conflict and fragile states.

### 3.1 Post-conflict and fragile states: A definition

There is a two-way link between conflict (whether interstate or civil war) and fragility in the developing world: many fragile states are prone to conflict, and most countries emerging from conflict are fragile. Consequently, when post-conflict interventions are undertaken, countries are seen as fragile. This makes fragility the focus of the analysis.

There is still no generally accepted definition of a fragile state: a myriad of causes, sometimes seemingly contradictory, can reduce a country to the vague category of "fragile state". The definitional difficulty has led to some ambiguity. Nevertheless, the definition provided by the OECD's Principles (OECD/DAC, 2007) is a good "second best": even though these Principles are non-binding, they come from a consultative process with all the members of the OECD DAC.

According to the OECD, "[s]tates are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations" (OECD/DAC, 2007: 2). This definition underscores the political nature of state fragility. Several donors have acknowledged this dimension, like the United Kingdom's Department for International

Development (DFID, 2009). Others, like the World Bank, have not: *"fragile states is the term used for countries facing particularly severe development challenges such as weak institutional capacity, weak governance, political instability, and frequently on-going violence or the legacy effects of past severe conflict"*.<sup>9</sup> It is consistent with the mandate of the Bank not to intervene in domestic politics but it could be argued that this should not prevent the Bank from undertaking a sound political economy analysis of the sources of fragility (Rocha Menocal et al., 2008).

In practice, donors have looked at fragility in terms of their own interests and the difficulties they face when engaging with fragile countries. In this respect, the approach developed by the International Development Association (IDA), the arm of the World Bank Group that provides grants and soft loans to the poorest countries, is particularly instructive. As is often acknowledged, IDA procedures have a significant influence on the procedures of other donors (Kanbur, 2004). The origins of these procedures lie in the broader debate around the effectiveness of foreign assistance by the World Bank in the 1990s, when it sought to demonstrate that good governance is a necessary condition for aid to be effective.<sup>10</sup> While there is no clear evidence of this relationship between aid effectiveness and good governance, selectivity has become an important word in the development community. Various criteria have been used to identify countries where foreign aid would be the most effective (Daviron & Giordano, 2007).

The IDA identifies different sources of fragility, using 16 criteria in four clusters to conduct a Country Policy and Institutional Assessment (CPIA),<sup>11</sup> as shown in Table 1. This assessment, combined with the annual report on portfolio performance, constitutes the Country Performance Rating (CPR), which is then used to determine the country's allocation. Countries with a CPR index below 3,2 are classified as fragile. However, the World Bank notes: *"Countries with a CPIA score below 3.2 may not exhibit fragility, and there may be some aspects of fragility in countries with CPIA scores above 3.2."*<sup>12</sup>

This methodology has been criticised and somewhat improved over time. Yet, many weaknesses remain. The main criticisms are briefly outlined below.

First, the underlying assumption of this approach is that the prerequisites for economic development are well known. Each fragile country is assumed to suffer from a range of weaknesses (summarised in the 16 criteria), with different intensities. It is further assumed

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9 [go.worldbank.org/P5E2CSXGY0](http://go.worldbank.org/P5E2CSXGY0)

10 See, for instance, the conclusions of Collier and Dollar (2002) and Burnside and Dollar (2000), questioned by Easterly et al. (2003), on aid effectiveness as a major issue for the donor community.

11 [go.worldbank.org/7NMQ1P0W10](http://go.worldbank.org/7NMQ1P0W10) provides information on the CPIA.

12 [go.worldbank.org/38IERKDDM1](http://go.worldbank.org/38IERKDDM1)

that these weaknesses have to be overcome to improve aid effectiveness and development. However, these prerequisites cannot be absolute, since several countries, notably the “Asian tigers”, boosted their economies without complying with them (Kanbur, 2004).

**Table 1: The 16 criteria of the CPIA**

<b>A. Economic management</b>	<b>B. Structural policies</b>	<b>C. Policies for social inclusion and equity</b>	<b>D. Public sector management and institutions</b>
1. Macroeconomic management	4. Trade	7. Gender equality	12. Property rights and rule-based governance
2. Fiscal policy	5. Financial sector	8. Equity of public resource use	13. Quality of budgetary and financial management
3. Debt policy	6. Business regulatory environment	9. Building human resources	14. Efficiency of revenue mobilisation
		10. Social protection and labour	15. Quality of public administration
		11. Policies and institutions for environmental sustainability	16. Transparency, accountability and corruption in the public sector

Source: World Bank.

Second, it assumes the pursuit of “ideal” prerequisites, based on the donor’s own “universal” view of development – the criteria are the same for every country (Kanbur, 2004). This is particularly problematic for institutional reforms, which account for 68% of the CPR, as shown in the formula below:<sup>13</sup>

$$\begin{aligned} & \text{Country Performance Rating} \\ & = (0,24 * CPIA_{A-C} + 0,68 * CPIA_D + 0,08 * Portfolio Performance) \end{aligned}$$

These institutional requirements are primarily based on Western institutional models, despite the fact that most African states have never resembled the modern Western state in either their institutional characteristics or their functioning. On the contrary, African states have developed along a diverse spectrum following local contingencies and historical trajectories (Bayart, 2006; Pouligny, 2009). In this context, seeking to apply Western institutional prerequisites to fragile countries is dangerous (Engelbert & Tull, 2008): there is much to learn about the dynamics of state formation in these countries, and such knowledge must be incorporated into the scheme of donor interventions in Africa.

<sup>13</sup> The subscript letters A–C and D refer to the four clusters of the CPIA mentioned in Table 1.

Third, the CPIA supposes a simple link between policy and institutional reforms and aid effectiveness, while the literature on aid effectiveness does not provide a clear answer on this issue (McGillivray, 2004). Therefore, allocating aid according to the CPIA criteria is an oversimplification of the world in which donors operate. Furthermore, with a CPIA index below 3,2, a country is classified as fragile without any justification for choosing this threshold. This implies that some countries close to the margins of the definition could be incorrectly classified and would therefore not benefit from the same capacity for IDA intervention (Baliamoune-Lutz & McGillivray, 2008).

Fourth, using past records to determine future evolution is, generally speaking, a flawed method because of the possibility of unforeseen events (Taleb, 2007). This is also true for the CPIA, especially when applied to fragile countries: states are classified as fragile because of their poor social, economic, political and institutional records. Allocating low levels of aid while expecting countries to fix the problem themselves seems highly inconsistent. Had a similar principle been applied to European countries or Taiwan straight after World War II, they would never have received substantial assistance. This is undoubtedly happening today: while it seems at least as effective or even more effective to promote growth in post-conflict states than elsewhere (Addison & McGillivray, 2004), most donors appear to underprovide aid to fragile states. The levels of such aid are also much more volatile, adding poor aid predictability to an already uncertain situation (Levin & Dollar, 2005; McGillivray & Feeny, 2008; OECD, 2008).

Finally, poor performers frequently face structural disadvantages over which the state has little or no control. These include being a landlocked country, having/not having natural resources, unfavourable climatic conditions, high/low population density, and the like (Cogneau & Naudet, 2007). These disadvantages are not reflected in the CPIA. Neither does the CPIA take into account fragilities emanating from a country's external vulnerability, such as any harmful policies of developed countries or the actions of large private companies (Carment et al., 2008).

These criticisms of the holistic dimensions of the CPIA approach support the growing literature showing that every case is specific and there is no one-size-fits-all solution. The trend should not be towards seeking a (probably flawed) standardised answer but rather towards engaging in aggressively innovative, situation-specific, trial-and-error processes to foster social and economic development.

### 3.2 Current post-conflict intervention: The OECD DAC Principles

A comparison between the Marshall Plan and the JCRR, the IDA methodology and the OECD DAC Principles helps to identify possible weaknesses in contemporary approaches.

Table 2 summarises the main features of the two post-war reconstruction programmes reviewed above, the ten OECD DAC Principles and the main characteristics of today's fragile states. It highlights the context of external interventions, important characteristics of the recipients, the kind of assistance that is provided and the instruments used.

In the first two columns, the coloured cells emphasise the differences between the Marshall Plan and the JCRR. As noted above, these differences are due mainly to Taiwan being a developing country at the time; its weak capacity was offset by more planning and the implementation of the "felt needs" approach.

The third column outlines the OECD DAC Principles, and the coloured cells highlight the differences between them and the previous successes; these are explained in the rest of this section. The last column deals with the current interventions in agriculture and will be expanded on in the next section.

This table is not exhaustive; however, it provides a broad analytical framework for comparing principles of post-conflict intervention. The purpose is less to be exhaustive than to point out some features of the OECD DAC Principles. Note, however, that these Principles only guide and do not bind donors, since there is no mechanism of enforcement.

**Table 2: Features of post-war interventions, contemporary fragile states and the OECD DAC Principles**

The Marshall Plan	The JCRR	OECD DAC principles for good international engagement in fragile states and situations	Post-conflict and fragile state intervention
Information	Information	Take context as a starting point/do no harm.	No/poor statistical systems
Structural transformation	Awaited structural transformation		Awaited structural transformation
Strong democratic government	Strong undemocratic government	Focus on state building as the central objective.	Weak government
Strong capacities	Low capacities		Low capacities
Industrial policies	Four-year plans (four between 1953 and 1968)		No industrial policies/only Poverty Reduction Strategy Papers
Political will/social contract	Political will	Focus on state building as the central objective.	Low political will/no social contract
Macroeconomic reforms	Macroeconomic reforms	Align with local priorities in different ways in different contexts.	Macroeconomic reforms
Country-owned strategy	Country-owned strategy		No/poor development strategy
Massive social safety nets	Subsidies acting as safety nets		No safety nets/high poverty rate
Multi-year approach	Multi-year approach	Act fast... but stay engaged long enough to give success a chance.	Year-on-year basis
Regional approach	Mainly country-based approach		Country-based approach
NATO	United States protection (Mutual Security Mission)	Recognise the links between political, security and development objectives.	Peacekeeping forces with weak deterrent capacity
Consensus between donor and recipient	Felt needs approach (micro)	Align with local priorities in different ways in different contexts.	Country strategies (recipient ownership?)
Funding matched by recipient	Funding matched by implementers		Conditionalities/selectivity
One donor	One donor	Agree on practical coordination mechanisms between international actors.	Multiplicity of donors
Humanitarian aid	Humanitarian aid		Humanitarian aid
	Felt needs (joint evaluation)		Ownership
Projects and/or private sector support included in a broad development plan	Projects and/or private sector support included in a broad development plan	Prioritise interventions. Avoid pockets of exclusion (e.g. Aids orphans).	Projects, private sector support and/or (non-)concessional loans
Technical assistance	Technical assistance		Technical assistance
Trade gap bridged	Trade gap bridged	Promote non-discrimination as a basis for inclusive and stable societies.	Debt relief
Budget support with conditionalities	Budget support with conditionalities		Trust funds (multiple conditionalities)
	Planning and policy coordination		Alignment
Tied aid	Tied aid		Tied/untied aid
Limited jointness principle	Jointness principle		Alignment



### 3.2.1 Is state building misleading?

The first priority in the OECD DAC Principles is “strengthening the state”. The features of today’s African governments, especially those in post-conflict or fragile states, are very different from those of the European governments after 1945. This may seem to imply that supporting state formation in fragile countries is *the* necessary condition for obtaining the same level of aid effectiveness or the same leveraging effect on development.

What is the rationale behind making state building the central objective of donor interventions? There are, obviously, many good reasons to support state formation but why is it seen as an absolute priority in the early stage of the recovery process when states are so weak and the difficulties of building them so immense? Is there not a risk in diverting scarce resources from social and economic development to the complex project of state building? A few authors pinpoint the necessity of rethinking the state-building approach. Some, like Ellis (2005: 137), even put forward some form of international trusteeship, “anathema since colonialism”, which probably deserves more attention. (The JCRR sheds some light on what a trusteeship could mean today.)

Still, the state-building objective may be acceptable for a single reason: it stands in a sharp contrast to the development paradigm of the 1980s and 1990s, when donor policy recommendations (and conditionalities) were based on a minimalist view of the state. Their structural adjustment programmes aimed at reducing the role of the state and imposing macroeconomic reforms along the line of the Washington Consensus. With hindsight, this paradigm has failed. The post-Washington Consensus recognises the state as a vital actor that needs to be strengthened; it also acknowledges that there is no one-size-fits-all recipe for an effective state (World Bank, 1997). The Commission on Growth and Development (2008) represents, for many, a watershed in thinking on international development (see, for instance, Kanbur, 2008; Rodrik, 2008). It proposes a wide range of policies that the state should develop and implement to promote development. But, in practice, because of their inherent weaknesses (Bayart, 2006; Van de Walle, 2001), post-conflict and fragile states are unlikely to exercise this vital prerogative that the international community wishes to allocate to them, at least in the short run.

One practical consequence of the inability of fragile states to “make foreign assistance more effective” is the introduction of aid instruments beyond those of the Marshall Plan: humanitarian aid and budgetary support. They are designed to overcome the weaknesses of a fragile state but instead tend to overtake the state in fulfilling its prerogatives. This leads to the following paradox: to increase aid effectiveness, some favour project support that is delivered outside of the (weak) state institutions (Addison & McGillivray, 2004) but this could work against strengthening these institutions. Using channels such as non-governmental



organisations, the private sector and independent service authorities can help to make aid more effective (McGillivray, 2006) but also undermines the state's credibility and legitimacy. To prevent this, one of the OECD DAC Principles emphasises the need for aligning donor interventions with local priorities, in line with the Paris Declaration on Aid Effectiveness (2005). This seems to be a lesser option, followed instead of acknowledging that state building, while crucial, may not be the primary priority.

### 3.2.2 Neglected principles

As highlighted in the third column of Table 2, four dimensions of the post-war reconstruction process are beyond the scope of OECD DAC Principles. These dimensions were crucial to the two success stories: the integrated approach to development, including industrial policies; the "jointness" principle; the importance of safety nets or subsidies to cushion the impact of the structural transformation; and a regional approach.<sup>14</sup>

First, the main concern is to ensure that any post-conflict initiative contributes to the country's overarching development strategy. This is particularly important because crises are more likely to occur in low-income countries, bringing stagnation or even decline (Collier, 2007), and because sudden changes in economic conditions seem to spark off such crises (Miguel et al., 2004; Djankov & Reynal-Querol, 2010). While these conclusions are drawn from a purely economic analysis of fragility, they may be necessary conditions for recovery. Yet, the OECD DAC Principles do not address this issue, except in terms of the need for improved governance and the definition of "good" macroeconomic policies. Many fragile states are in a long-awaited structural transformation, which should be synonymous with economic growth and poverty alleviation. Lessons from past structural transformations, notably in Asia after the 1960s, show that industrial policies were crucial to these transformations, bringing in the private sector to invest in strategic sectors (Liang & Hou Liang, 1988; Lawrence, 2005; Shapiro, 2007; Amsden, 2008). The competition for private investment is so harsh that, without measures that extend beyond the principles of good governance, the likelihood of private investment in fragile states is very low. When a state is too weak to develop and implement industrial policies, innovative alternative mechanisms must be used to offset this weakness at least in the short run.

Second, the way foreign aid is managed has to be rethought: budget support is the ideal type of aid when the aim is to strengthen the state but it becomes an uncertain option in difficult situations. In these situations, donors seeking to prevent the misuse of aid funds may choose to support non-state institutions instead, which could easily contradict the state-building objective. The "jointness" principle of both the JCRR and, more informally,

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<sup>14</sup> This does not mean that these factors are not mentioned in the literature about the role of the state; see, for instance, World Bank (1997) and the Commission on Growth and Development (2008).

the Marshall Plan could mitigate this risk, since it brings together (top-down) government priorities and (bottom-up) people's needs. Co-responsibility was the core principle of the JCRR, evident at both the policy level (two governments) and the implementation level (using a sponsoring institution). The OECD DAC (2010: 72) recently highlighted this principle as a potential driver of future intervention through its introduction of "dual-control oversight mechanisms" to jointly manage donor and state funds.

Third, social safety nets played an important part in the recovery of the European countries after World War II and in the structural transformation of the Asian economies. However, it is absent from the OECD DAC Principles. Safety nets took several forms, ranging from pure social safety nets to subsidies for vital activities and even price controls.<sup>15</sup> They were often provided with foreign aid support. Of course, humanitarian aid can partially fulfil this role in the short term but safety nets are generally necessary in the medium to long run. For aid to play this role, it must accompany the development process until the state becomes capable of taking over the provision of safety nets. Also, aid mechanisms have to be consistent with the recovery dynamic and not impede it.

Finally, a country-based approach is probably insufficient. Cliffe and Alfandari (2007) stress the regional dimension of conflicts because of the support that rebel groups could obtain from vested interests in neighbouring countries. Conflict and fragility also have ripple effects on neighbouring countries, mainly through displaced people crossing borders to escape war or poverty. This could lead to further conflict, especially when the neighbouring state is also weak. Unfortunately, there is nothing in the OECD DAC Principles to highlight this dimension. Donors tend to underprovide aid not only to post-conflict and fragile states, as noted, but also to countries that are near areas in conflict (Bella & Yannitell Reinhardt, 2008).

Some of these elements are not specific to post-conflict and fragile states, and are addressed in other international initiatives around foreign assistance, as discussed in the next section.

### 3.3 Other initiatives on foreign aid

As noted, there are two main initiatives on foreign aid (see Table 1). The first one stems from the Rome Declaration on Aid Harmonisation (2003), namely, the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008), which deal with the effectiveness of aid. This first initiative is especially important for at least two reasons:

- Contrary to the OECD DAC Principles, it includes monitoring and evaluation of the progress towards achieving the objectives of its agreements.

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<sup>15</sup> In Taiwan, the government imposed low prices for staples to support urban and non-agricultural households in rural areas. However, it also provided agricultural support such as input subsidies, extension services and education to enable farmers to increase their income.

- It brings on board some of the emergent donors who are neither OECD DAC nor OECD members – and thus not bound by the OECD DAC Principles – but who commit to coordinating their foreign assistance. Such donors include China, Korea, Kuwait, Thailand and South Africa.

The Paris Declaration broadly acknowledges partners' ownership of the development strategy, the alignment of donor priorities with this country-owned strategy, the harmonisation of donor practices, and the accountability of both donors and partners for tangible results. However, the Declaration is limited on post-conflict and fragile states: only a paragraph is dedicated to them in the section on harmonisation, relating to the first version of the OECD DAC Principles.

More interesting is the process that was followed and its outcomes. The Paris Declaration included an enforcement mechanism: targets were identified for 2010, as were 12 indicators to monitor them. The first evaluation of the Paris Declaration concluded that the pace of progress was much slower than expected and that further action was necessary (Wood et al., 2008). Consequently, the last conference on aid effectiveness endorsed the Accra Agenda for Action in 2008.

While the Accra Agenda tries to find solutions to the implementation challenges of the Paris Declaration, it also addresses the specific challenges raised by fragile countries. The emphasis is on the following aspects:

- Conduct joint assessments of governance and capacity needs, and the causes of fragility. In contrast, the OECD DAC Principles simply state that donors should "take context as a starting point". Understanding the root cause of fragility is a prerequisite for the success for any external intervention.
- Prioritise the objectives that were identified as prerequisites for development.
- Jointly design and sequence interim measures that lead to sustainable institutions, on a demand-driven basis. This implicitly recognises the government's limited ability to act and the necessity of establishing priorities.
- Improve the coordination, flexibility and predictability of aid.
- Monitor the implementation of the OECD DAC Principles.

A second evaluation of the Paris Declaration was launched in November 2009 and its results will be presented at the 4th High-level Forum on Aid Effectiveness planned for late 2011 in Seoul.

The Paris Declaration and the Accra Agenda represent an important step beyond the OECD DAC Principles in that they address vital elements and include a monitoring process. However, they do not directly address the five dimensions identified above as potentially crucial for supporting post-conflict and fragile countries.

The second important initiative is the United Nations programme on Financing for Development. This initiative was launched in 2002 when, after several years of declining foreign aid, it became clear that aid resources would be insufficient for meeting the Millennium Development Goals. The first milestone in this programme was the endorsement of the Monterrey Consensus (United Nations, 2002). Somewhat surprisingly, it did not mention post-conflict or fragile states despite the timing – only a year after the 9/11 terrorist attacks on the United States. On this issue, the Consensus was not ready (Daviron & Giordano, 2007).

While the 2008 review of the Monterrey Consensus recognises the importance of financing for post-conflict countries and welcomes the Accra Agenda, no further commitments are recorded and fragile states are not mentioned (United Nations, 2008). And yet, the lack of additional resources for post-conflict and fragile states has been underlined (McGillivray, 2006; McGillivray & Feeny, 2008). Is this because the Consensus requires countries to raise national resources for their own development? Post-conflict countries can certainly do that, but not in the short run.

## **4. Principles for post-conflict interventions in agriculture**

The previous section highlighted four dimensions that, while absent from the OECD DAC Principles, were central to economic and agricultural recovery after World War II. This section reviews the literature on recent external agricultural interventions in post-conflict situations, mainly in sub-Saharan Africa, to assess the extent to which these dimensions have been incorporated. It also compares current interventions with the two success stories of the past to review donor strategies in this light.

### **4.1 Understanding the roots and context of fragility**

The upstream challenge of donor interventions, whatever their nature, is to understand the root causes of fragility in the social, cultural, economic, institutional and political context. Unfortunately, a lack of information and knowledge is a standard feature of post-conflict states, especially when they emerge from a protracted crisis. The first aspect on which information is needed deals with the political processes underpinning the fragility. A thorough analysis must be conducted to understand the contending interests, people or communities among which donors seek to intervene. One aspect of information relates to the long-term evolution of the country. Here too, very little first-hand information is available: national statistical systems have often been dismantled and whatever case studies may be available are often too localised to allow any generalisation. Yet, understanding the changes that took place during the conflict is crucial for planning meso- and micro-level interventions.

#### 4.1.1 Supporting the assessment of needs

External interventions cannot be formulated without understanding how economic sectors evolved, how informal institutions adapted, which actors (e.g. elites, commanders and warlords) emerged and what power they now wield (e.g. controlled access to resources such as land). In addition, Flores et al. (2005) emphasise the need to understand the nature, scale and history of the crisis, and Longley et al. (2006) focuses on the political economy of the conflict. These form a major part of the analytical framework in which external interventions should be developed and, later, monitored and assessed. Alinovi et al. (2007: 19) point out that *"the interaction of institutional breakdown and conflict has provoked the development of new, non-state centres of authority that consolidate themselves around alternative patterns of social control, protection and profit. Understanding such interactions requires a certain level of politico-economic analysis, which has sometimes been undertaken, but tends to remain confined mostly to academic circles, with little impact on the policy process."* These changes, and the reasons for them, must be taken into account in assessing both the possible interventions and the process to be followed.

To overcome the information problems, the United Nations Development Group and the World Bank developed Post-conflict Needs Assessments (PCNA) and a Transitional Results Framework (TRF) to identify priorities for intervention.<sup>16</sup> The PCNA was first set up in 2003 and then reviewed in 2006. It underscores the importance of a full assessment of needs, conducted jointly by national and international experts, to enable the formulation of an implementation plan. This process comprises four steps:

- *Pre-assessment*: It aims at identifying the causes and characteristics of the conflict, as well as the priorities for keeping the peace process on track.
- *Full assessment and recovery planning*: Its purpose is to evaluate needs and prioritise the programmes, with objectives and budgets, that will comprise the TRF.
- *Validating and financing*: This stage has two objectives. The first is to ensure that donors and national actors share ownership and accountability; the second is to ensure that the objectives are matched by funding commitments.
- *Implementation and monitoring*: This phase includes the possibility of revising and adapting the TRF, while ensuring that the different partners endorse the modifications.

The main reservation about the PCNA/TRF is the identification of needs and, therefore, priorities on a consensual basis between the different partners. While the objective is clearly to guarantee ownership and accountability, which is a necessary condition for success, it suffers from the same bias as the CPIA in terms of the rationale:

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<sup>16</sup> The information on the PCNA and the TRF are mainly drawn from the UNDG-World Bank (2007).

- It assumes that the prerequisites for economic development are clear and, consequently, that identifying the needs corresponds to identifying the gaps.
- The view of the donor may prevail in terms of both diagnosing the problem and setting the objectives of the recovery process, simply because donors only commit to (and are accountable for) objectives they believe in.

Part of the answer lies in the quality of the pre-assessment phase, where the understanding of the situation is shaped. It is crucial to avoid mistakes in this phase. However, this is also the shortest and quickest phase, for two reasons: it occurs early in the peace process, when emergency actions are needed to sustain the peace, and is preliminary to the rest of the PCNA/TRF. To mitigate with the risk of misunderstanding the causes of the conflict and the underlying stakes, an ongoing political, social and economic analysis of the situation (not only the needs) would be of great value. Still, this may not be sufficient for donors to accept the views of national actors on the reconstruction process; other mechanisms may have to be developed as well.

#### 4.1.2 The “felt needs” approach

Understanding the root causes of the crisis before taking any action is a crucial determinant of success. For example, during the crisis, farmers may have shifted their priorities from income-generating activities to food security. Flores et al. (2005: S38) stress that *“the highly differentiated, fluid and indefinite nature of ‘protracted crises’ tends to preclude any possibility of predetermining which kinds of food security interventions are appropriate and which are not. Also required is a more wide-ranging and politically informed analysis of options than is usually attempted.”*

Longley et al. (2006: 15) state that *“conflict has a much more multifaceted impact on production than might be assumed”*. They identify two sets of challenges in evaluating the impact of conflict on the agricultural activities of households: first, understanding the short- and long-term shifts in activities and strategies, and the dynamism and resilience of farmers and, second, understanding market shifts, including risks and opportunities. Several elements should be assessed when designing interventions (Flores et al., 2005):

- How does the dynamic nature of the crisis affect agriculture and food security?
- What is the socio-political context and how does it affect households?
- What institutional arrangements created by the crisis could affect project implementation?
- What are the interactions between long-term and short-term food security?

Alinovi et al. (2007) underscore the critical role of institutional transformation in promoting food security. They highlight factors such as the traditional regulatory mechanisms, especially



those related to land tenure; social norms; safety nets; the regulation of natural resources; and markets. *"International responses to the crises have focused mainly on life-saving and short-term livelihoods protection measures. They have scarcely recognised the importance of institutional issues and have failed to support those institutional processes that could have mitigated the effects of the crises... [Now, however,] interventions are increasingly judged on how they are inserted into national and local contexts and whether or not they contribute to the building or rebuilding of national trust, capacities and institutions"* (Flores et al., 2005: S26).

A better understanding of the local context would certainly lead to the development of new approaches. Longley et al. (2006: 7) explain that *"the problem with all 're' words (rehabilitation, reconstruction, rebuilding, recovery, revitalization, among others) is the implicit assumption of a return to a former, supposedly stable and desirable state of affairs. Such an assumption is particularly inappropriate in a post-conflict context, since a return to the pre-conflict situation may merely recreate the conditions that led to war in the first place."* Furthermore, during the conflict, the agricultural production pattern necessarily evolved, especially because both the local context (e.g. new actors) and the global context (e.g. international prices) changed. New opportunities may also have developed. Vlassenroot et al. (2005: 24-25) note: *"The case of eastern DRC [Democratic Republic of Congo] reveals that protracted crises can cause considerable shifts in local food systems... These new conditions have forced most households to invest in alternative strategies of survival. This explains why in several regions agricultural production has lost its importance to the advantage of mining or fishing activities; it also explains why some food-producing regions have become food importing areas during the war. These shifts in local food systems have attracted little attention from humanitarian agencies."*

To overcome these difficulties, the "felt needs" approach developed by the JCRR offers the possibility of both understanding these changes by allowing local actors to set their own priorities, and supporting emerging institutional dynamics. Furthermore, it helps to overcome any lack of leadership the government may display without undermining its legitimacy.

## 4.2 State building, but not only

Because of the transformation of institutions and the evolution of the balance of power, it becomes challenging to define how state building can be supported. The sizeable literature on this issue is not reviewed here; only a few important elements are highlighted below.

### 4.2.1 Why question the state-building objective?

State building has been the motto of the post-Cold War period. During the Cold War, the two main blocs provided aid to developing countries to expand their own influence.

These countries often played the two blocs off against each other to obtain more aid, not necessarily for their own people. After the Cold War, when the economic situation became untenable, many of these countries lost their bargaining power. They had to abide by the conditionalities set by the international financial institutions and other donors for a minimal state. While this did bring some level of stability, it was often at the expense of the political status quo and/or the economy. Only in the 1990s did the international community acknowledge the importance of an effective state (World Bank, 1993 & 1997).

The pendulum seems to have swung back somewhat: in view of the paucity of local skills, donors want to avoid the public sector growing more rapidly than the economy, as it did in many African countries in the 1960s and 1970s. Nevertheless, the OECD DAC Principles hold state building as a central objective. What does this objective mean in the context of state formation and the functions in Africa's fragile states? And should it be the main objective? The answer would be yes if, based on the lessons learnt from the Marshall Plan, the purpose would be to recreate the conditions for its success. The answer would be more qualified if, based on the historical trajectory of African countries and their own experience of the state, the purpose would be to replicate the prerequisites for the success of the Marshall Plan, or quite simply to trigger sustained economic growth.

Until now, the answer has been unambiguous: overcoming the weaknesses of the state is the priority, as the World Bank CPIA illustrates. The main issue has been to identify the minimum features of such a state (Ghani et al., 2005; OECD DAC, 2007; Commission on Growth and Development, 2008). State-building approaches have mostly been based on imposing the structure and functions of the modern Western state on Africa rather than establishing the conditions for building "modern" African states.

One of the primary contradictions in current state-building approaches is that donors tend to impose economic and political reforms without due consideration for local realities, including resistance to change (Engelbert & Tull, 2008). An attempt to impose the structure of a modern Western state on a fragile state may well, in itself, be a source of fragility: the speed, scope and nature of the changes may be so significant that society as a whole may have neither the time nor the ability to adapt to them. Hence, instead of focusing on enhancing the state's capacity to rule, often at the expense of local power, networks and institutions, state-building approaches should integrate local realities and enforce the state's ability to rule from a distance, through these existing power configurations, networks and institutions. These are, in fact, important characteristics of modern government (Rose & Miller, 1992). As Pouligny (2009: 3) states, *"the challenge for outsiders is to capture the multiplicity and diversity of political institutions, cultures and logics – in other words of 'modalities of governance' – through which state resilience and state building processes*



*may be supported*". This means that another approach to state building must be developed, not for the sake of state building but rather for stability and recovery. This would be consistent with the operating principles of the JCRR, where local institutions were carefully selected for project identification, implementation and financing.

The approach to state building needs to be flexible enough to allow a unique state to emerge in each country, taking into account the domestic contingencies. It should pay heed to the political context of reconstruction, its historical trajectory, the social dimensions of development, the complex interactions between individuals and society, the international and regional contexts that affect the country, and the role of the elites. All these factors influence the demand for state coordination and regulation; all shape the kind of state that should emerge. Such an approach contrasts with the current practices and argues not only for overcoming the knowledge gap but also for new ways of designing and managing external interventions. This process of state building could well take several years, implying that some important responsibilities of the state might fall upon the international community in the meantime. During this period, attention should be focused on the process of social and economic development.

#### 4.2.2 Support private sector interventions

Longley et al. (2006: 4) note that a *"crisis involves the inability of a state to fulfil its core functions to the extent that the contract between a state and its citizens completely breaks down. (Re)establishing this contract between a state and citizens in a country emerging from conflict is a key feature of post-conflict recovery. In the agricultural sector, it is achieved through the establishment of both public support and a dynamic but regulated private sector that provides appropriate and high-quality agricultural inputs and services."* Gerson (2001: 107) also emphasises this dimension, expanding it beyond agriculture: *"Stabilization itself depends on private sector entry; hence, waiting for stabilization as a precondition for entry becomes a self-defeating strategy"*.<sup>17</sup>

Supports for private initiatives are likely to rely heavily on market mechanisms but weak states may not have the ability to address any market failures. Consequently, market imperfections should be investigated carefully. Measures to reduce them (e.g. lowering transaction costs, strengthening infrastructure, improving market access or providing security) should be considered as complementary to the success of the initiative. However, conflicts could lead markets to collapse. Therefore, it is important to assess the real impact of any (regional) conflict on the project and how the project relates to the rest of the country or region.

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<sup>17</sup> Ruiters and Giordano (2010) analyse the role of development finance institutions in supporting private sector development; these institutions complement the activities of donors who may not regard private sector support as a priority in post-conflict situations.

The main issue is to mobilise domestic and foreign savings for productive investments. In Europe after World War II, foreign investments were at their lowest level after the war. American investors saw Europe as unattractive, offering neither security nor profitability. To counter such concerns, it is important to ensure that private investors can rapidly seize post-crisis opportunities that are real and long lasting. Brück et al. (2000) contrasted the post-war dynamics of Mozambique and Nicaragua, especially the recovery of the agricultural sector. In Mozambique, support for small farmers ensured that food production recovered more rapidly than export production, which probably favoured poverty reduction and job creation. In Nicaragua, the opposite occurred: an improvement of external solvency but a low level of poverty reduction. They emphasise *"[f]irst, that post-war reconstruction based on small farmers can be more rapid as they are able to respond rapidly to access to land and labour, and in any case do not have alternative asset choices. Second, that a recovery programme based on small rather than large business is likely to have more positive redistributive effects and thus reduce poverty more rapidly"* (Brück et al., 2000: 36).

Following these conclusions, small and medium-scale farmers should receive particular support. Well-defined import tariffs could also facilitate the recovery of food production. This process could be significantly more complicated than expected: the labour force on small farms may not necessarily have the capability to farm and may need training in this regard; land may not be available and a land reform process may be required. Such situations can cause considerable delays in the recovery of the agricultural sector. At the same time, even though the leverage effect on poverty may be relatively low, supporting commercial farming is necessary, especially if exports are needed to generate foreign exchange. Agricultural export value chains often recover sooner when the government or the international community develops policies to enable trade. These could include special export zones or other forms of export promotion by the government, and guarantee schemes and soft loans from the international community.

Supporting private actors upstream (through seeds, inputs and credit provision) and/or downstream (through transformation, commercialisation and economic infrastructure) could improve the productivity levels of small and medium-scale farmers. Yet, this will depend largely on the state of markets. Where rural markets are severely affected, a shift from tradable to non-tradable sectors may have occurred, and private actors, operating either upstream or downstream, will rely on the pace of market recovery.

### 4.3 Agriculture as the mainstay of the structural transformation

The previous conclusion argues in favour of a more balanced approach to state building, with a greater focus on economic development. Many post-conflict and fragile countries remain at the early stages of development. They have not yet undergone a structural transformation

and their people, and the economy, rely mainly on agriculture. This means that agriculture has to be handled with particular caution. Two fundamental issues have to be addressed: at the micro level, the role of agriculture in sustaining rural livelihoods and, at the macro level, the role of agriculture in the overarching development strategy. Linking these two dimensions was the mainstay of Taiwan's recovery.

At the micro level, in rural areas, sustaining livelihoods entails a wider range of economic activities than solely agriculture. Agriculture is neither automatically the mainstay of household food security nor necessarily the primary livelihood activity. Farming is but one activity among many and constitutes only a portion of the income of rural households. Households diversify income sources mainly to satisfy their daily needs (Bryceson, 2002). Supporting food production in rural areas may guarantee food availability without ensuring that households have access to it. Still, while agriculture is unlikely to be the main driver of rural development, it will play an important role. The fierce competition for agricultural production, the new norms and standards acting as barriers to trade, and the unfair agricultural policies of the OECD countries are all reasons why an upsurge of agriculture at the micro level is highly improbable. Yet, agriculture provides a social safety net in rural and peri-urban areas, which may be particularly important at the outset of the recovery process.

At the macro level, the situation may be rather different: a slight improvement at the farm level may have huge macroeconomic benefits owing to the high proportion of households involved in agriculture. Boosting agricultural activities can have multiple purposes, ranging from strengthening food availability – bearing in mind that domestic production often relies on smallholders – to generating income or tax revenue. But its ultimate contribution is to the process of economic development: in these countries, the economic transition is still to occur. This transition was responsible for the surge of growth and development in developed countries at the outset of the 20th century, in Japan after World War II and among the “Asian tigers” in the 1980s. There have been dramatic changes of the international environment, such as trade liberalisation, state withdrawal, the restructuring of international and regional markets, a multiplicity of public and private norms, increasing flows of knowledge and information, growing numbers of actors and scales of governance, and technological progress. Still, recent studies show that this development pattern should still hold.<sup>18</sup> Therefore, how should the role of agriculture in the domestic development strategy be defined in the medium to long run? What should the priorities be to ensure that agriculture plays this role? These questions are addressed in the next section.

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<sup>18</sup> On the necessity of strengthening the agricultural sector to sustain economic growth, see, among others, Lipton (2005); Tiffin & Irz (2006); Diao et al. (2007); Staatz and Dembele (2007); World Bank (2007); Summer et al. (2008); Timmer & Akkus (2008); Losch et al. (2009) and Ravallion (2009). The crucial role of agriculture was already on the agenda in the 1980s, as the 1982 *World Development Report* emphasised (World Bank, 1982).

## 4.4 Planning and sequencing

A successful peace or the overcoming of fragility relies on the economic success of the recovery process, which must be shared by the majority of the people. To this end, getting the fundamentals right is not a sufficient solution. With the post-Washington Consensus, the international community has acknowledged the role of the state not only as an enabler of well-functioning markets but also as a driver of the economy. For most of the African countries that have not gone through the economic transition, the role of the state in this regard focuses on restructuring and diversifying their economies.

### 4.4.1 Efficient use of scarce resources

Because developing countries have limited resources, whether capital, human or institutional, they cannot address all the challenges they face. They need to plan their actions and prioritise and sequence their policies. Because post-conflict and fragile countries have even less capacity, the international community needs to support this process of structural transformation. It should be a priority of donors to ensure that the state becomes progressively more capable of regaining its influence. In other words, aid should be finite, its time horizon limited and the handing over to the government carefully planned.

Hausmann et al. (2005) developed a growth diagnostic framework aiming at identifying the most binding constraints on economic growth. While not specifically designed for post-conflict and fragile states, the framework can easily be applied to them. It is based on the following considerations:

- Economic growth is the central challenge faced by developing countries; to promote development, a growth strategy is required.
- There is no one-size-fits-all growth strategy and local contingencies have to be taken into account.
- Governments face limitations and consequently cannot address every hurdle at the same time.

The methodology has attracted some criticism and has been revised (see Hausmann et al., 2008). Still, the framework can be seen as a breakthrough in the development field; it stands in stark contrast to the universal ambition of the Washington Consensus, without completely departing from “getting the fundamentals right”. Its main advantage is flexibility in identifying the priority reforms. The framework has been applied both by the World Bank<sup>19</sup> and the Asian Development Bank<sup>20</sup> with a measure of success. Ali (2009) suggests applying it to post-conflict countries.

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<sup>19</sup> [go.worldbank.org/HXX29AT3X0](http://go.worldbank.org/HXX29AT3X0)

<sup>20</sup> [www.adb.org/Projects/Country-Diagnostic-Studies/growth-diagnostic.asp](http://www.adb.org/Projects/Country-Diagnostic-Studies/growth-diagnostic.asp)

In the framework, an important aspect for post-conflict and fragile states is the emphasis on private investment, especially in the short run. Rodrik (2009: 44) call for “*an investment strategy to kick-start growth*”. Rather than state building being the first priority, investment is seen as the main driver of increased productivity. The next objective is to identify the most binding constraints that prevent gains in productivity. This is crucial in fragile and post-conflict countries for at least two reasons:

- The state has a limited capacity to invest but not necessarily to act, and there is an opportunity for donors to promote private investment while supporting state building.
- The level of private investment is so low that even a slight increase can make a big difference. Donors can easily favour mechanisms to boost private investment.<sup>21</sup>

While this framework provides a clear diagnostic of what is not working, no solutions can be designed without going back to the previous step – understanding the reasons for these binding constraints to growth. It then becomes possible to suggest policies that are well suited to the context and contingencies of the country in question.

#### 4.4.2 Consistency of short- and long-term interventions

Longley et al. (2006) use Sierra Leone and Afghanistan as case studies. They point out that the first intervention by international agencies is often the distribution of seeds to farmers. Yet, there is no clear evidence that seed programmes are the most appropriate intervention. The distribution of seeds and tools was one of the main interventions in the Democratic Republic of Congo, where it aimed to support agricultural production among the most vulnerable groups. While acknowledging that the efficiency of seed distribution has not been evaluated in this case, Vlassenroot et al. (2005) question whether this approach is sufficient. Seed distribution may be a necessary condition but not a sufficient one; extension services, financial services or enforced title deeds also affect agricultural production. Longley et al. (2006) suggest that agencies should first provide extension services and microcredit.

The main issue beyond the provision of services is whether farmers can access the right mix of services. Therefore, they put forward that any “*piecemeal, project-based approaches need to be linked, not only to a greater understanding of what farmers actually do, but also to an overall strategy for delivery of inputs and services*” (Longley et al., 2006: 25). The most binding constraints to agricultural development can only be identified when the local context is clearly understood. Analysis of the local context deserves much more attention, as Longley et al. (2006: 17) illustrate: “*Despite the collapse of government or project-based agricultural inputs and services, farmers are often able to continue to access such inputs and services through local social networks (including patron–client relationships)*

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<sup>21</sup> See, for instance, Ruiters and Giordano (2010).

*and – to some extent – private sector providers. However, the quality of the inputs and services available is often very low, and costs can be prohibitive. The challenge for post-conflict external assistance, therefore, is to improve the provision and reliability of inputs and services without undermining these local informal social protection mechanisms or hindering the role of private sector providers."*

Furthermore, Longley et al. (2006: 25) emphasise that promoting markets is vital to support rural livelihoods in a post-conflict situation: *"The major role of the private sector in the provision of inputs and services is increasingly recognised, but challenges surround enabling the emergence of service providers, stimulating demand and improving the quality of inputs and accountability of services provided."* At the same time, there is a need to complement such upstream market development with downstream market development, that is, to provide households with the basic transport and information infrastructure. *"Efforts to promote the development of market systems and infrastructure tend to be localised, fragmented and poorly coordinated, and often focus on either input or output markets, with little integration between the two"* (Longley et al., 2006: 26). Finally, market development needs to emerge from a good understanding of potential market opportunities. Vlassenroot et al. (2005) also put forward market and land access as two major issues that have barely been addressed in the Democratic Republic of Congo despite being major constraints to food security and major explanations for food insecurity.

It is clear from these reviews of post-conflict interventions in agriculture that a holistic approach is required to "relaunch" agriculture. This would need to include the distribution of seeds and tools, the provision of infrastructure and market-oriented reforms, for example. As Kunz (1997) noticed, the Marshall Plan clearly articulated a relief and recovery programme. Its long-term vision for Western Europe was built on a multi-year programme; this strongly enforced the perception of long-term stability, which is required for economic actors to invest (Chollet & Goldgeier, 2005). In post-conflict states, the same approach is required. Even when different agencies undertake relief and recovery actions, a clear and coherent articulation of the two types of intervention is required to enhance synergies and increase efficiencies. Veron (2007) emphasises that reconstruction and development support depends partly on the way aid relief has been managed.

Interventions around agriculture and food security generally suffer from inappropriate thinking on the compatibility of interventions and inadequate linkages between the (short) timeframe of the interventions and the long-term needs of the country (Alinovi et al., 2007; Alinovi and Russo, 2009).

This issue is particularly important since achieving food security and agricultural development could even be mutually exclusive. Alinovi et al. (2007: 14) emphasise that *"there is a*



*marked tendency to focus on food availability (food aid and immediate agricultural recovery measures) rather than on the access and stability dimensions of food security".* A better identification and clarification of the true objectives and their role in the overarching development strategy should avoid these drawbacks. What role is attributed to agriculture in the country's development process? According to what timeframe? How is domestic agriculture linked to national food security in terms of self-sufficiency and the availability and accessibility of food? How can short-term objectives for food security be reconciled with long-term increases in agricultural productivity?

## 5. Conclusion

Agriculture remains the most important economic sector in most countries in sub-Saharan Africa. Fostering agricultural development is a crucial challenge for most countries; it is an even greater challenge for post-conflict countries where agriculture may be the refuge activity for most of the population. This paper extends the principles upon which donors plan their post-conflict support for agriculture, using lessons drawn from the only successes in this field after World War II. It shows that the general principles endorsed by the international community lack several elements that made the recovery of Europe and Taiwan so successful in the 1950s. These include properly understanding the root causes of the conflict and its context; moving beyond state building as the main objective; promoting the structural transformation of the economy; and supporting agriculture as part of an integrated development strategy.

In other words, the state needs to design its development strategy, identify how agriculture might contribute to it, and set up the principles of its agricultural policy. In all probability, the sooner stakeholders agree to strategies and priorities, the faster will be the recovery from conflict and the more rapid the rebuilding of the state. The objective is to avoid the creation of a collection of projects without a coherent long-term vision for rural and agricultural development, to avoid fragmented and piecemeal projects, and to promote coordinated and synergetic actions. A fragile government may not immediately play a strong role in providing inputs (e.g. seeds and fertiliser) and services (e.g. credit, technical assistance and phytosanitary and veterinary services) to the agricultural sector because it lacks the financial means and institutional capacity in the short run. But this may not detract from its ability to set out its vision so that other actors can align themselves to the long-term priorities of the country.

At the same time, needs are important: local communities, non-governmental organisations and the private sector should develop relevant projects while they wait for the re-establishment of the state's authority and its capacity to act. Consequently, in the early stages, the recovery process would rely mainly on local and private initiatives. The "jointness" principle offers

many advantages in this respect since it allows for donor coordination as well as broader coordination between donors, the government, local authorities and local actors through a sound buy-in process. The buy-in process may be strengthened through the financial contribution of the local institutions that implement the projects, and thereby compensate for the lack of capacity of the government. Finally, to retain the overall consistency of the development vision, a careful selection of projects is needed. One important criterion would be for the project to respond to the “felt needs” of the people; another would be for it to benefit the greater number of people, especially the poor.

These are basic principles that need to be customised to every specific situation. However, they do not really emerge from the current literature on agricultural reconstruction in post-conflict situations. Donors may improve their interventions by including these principles to enhance aid effectiveness and decrease the vulnerability of many fragile states.

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